



THE COMMONWEALTH OF MASSACHUSETTS
OFFICE OF CAMPAIGN & POLITICAL FINANCE

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MARY F. McTIGUE
DIRECTOR

April 12, 1994
AO-94-13

Brian Kean, Treasurer
The Committee to Re-Elect Richard T. Moore
235 Williams Street
Uxbridge, MA 01569

Re: Liability to vendor which has filed for bankruptcy

Dear Mr. Kean:

This letter is in response to your March 15, 1994 request for an advisory opinion concerning the liability of the Committee to Re-Elect Richard T. Moore ("the Committee") to a vendor which has filed for Chapter 11 protection under the federal bankruptcy code.

You have stated that the Committee has owed Causeway Printing \$1,221.32 since November 25, 1992. In 1993, the company filed for Chapter 11 protection under the federal bankruptcy code. You have also stated that the Committee has tried without success to contact the company's bankruptcy trustee but to date you have received no response.

You have asked if the Committee can "write this debt off" and remove it from the Committee's next report.

M.G.L. c. 55, s. 18 requires accurate disclosure of all "existing liabilities remaining unfulfilled and in force when the report is made," (emphasis added.) The Committee's obligation continues once a vendor files for bankruptcy protection. However, once a bankruptcy case is opened, payment should be made to the trustee rather than the vendor.¹

The Committee should not "write a debt off" simply because the Committee has not been able to contact the trustee who is handling the bankruptcy case at issue. Instead, the Committee should send a check in the amount of the obligation to the trustee.

¹. This office contacted the Bankruptcy Court for information on the status of Causeway Printing's bankruptcy proceeding. We learned that Causeway printing's trustee is Ms. Gillian Kindlund Aylward, 114 State St., Boston. Her telephone number is 227-6500.

Once payment in the full amount of the obligation has been made, the liability may be removed from Schedule D of campaign finance reports filed by the Committee in the future.

It is possible that the bankruptcy case involving the printing company has closed and in that event the trustee might not pursue collection of this debt. On the other hand, the trustee may reopen the case to pursue an existing liability. If in fact the case has closed and the trustee returns the check, the Committee has satisfied its obligation and may then delete the liability from future campaign finance reports. The Committee should ensure, however, that it retains documentation to reflect its attempted payment.²

This opinion is limited to the facts presented in your letter and is rendered solely within the context of M.G.L. c. 55. If you have additional questions, please do not hesitate to contact this office.

Very truly yours,



Mary F. McTigue
Director

MFM/cp

2. According to a clerk of the Bankruptcy Court, the Causeway Printing case, case number 93-17123 CJK, was closed in December 1993. I understand, however, that the U.S. Trustee can impose sanctions on a creditor who fails to make payments due to a bankrupt debtor's trustee, even if the bankruptcy case is terminated. The U.S. Trustee can be reached at 565-6360.